

# Stimulating technologies for sustainable development: an environmental technologies action plan of the European Union

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The EU Environmental Technology Action Plan, or ETAP, was created in order to stimulate eco-innovation and the take-up of environmental technologies on a broad scale. Launched in 2004, the plan maps out action at a European level, by the Member States and by stakeholders. In this report on the ETAP, the Commission:

- sketches trends and developments in environmental technologies;
- outlines progress on implementation of the plan; and
- recommends priority areas for future action.

**Trends and developments:** The potential of European business to eco-innovate is underestimated. Evidence shows that well designed legislation does act as a driver for innovation and environmental technologies, which in turn helps companies to reduce costs significantly. The full implementation of EU legislation, such as Eco-design, IPPC, WEEE and RoHS will further enhance eco-innovation in the future. However, more needs to be done to make the kind of environmental gains needed, on the scale required. There is a pressing need for immediate and systematic action. To make a difference, in environmental terms, higher levels of deployment and take-up of environmental technologies are required at both an EU and global level. Eco-innovation has to be the mainstream of Europe's innovations and be the required norm across the whole economy.

**Progress on implementing the Plan:** Since the launch of the ETAP, about EUR 1.4 billion has been awarded to environmental technology projects under the 6<sup>th</sup> Framework Programme. It has been estimated that under the 7<sup>th</sup> Framework Programme up to 30% of the EUR 32 billion budget will address environmental technologies such as hydrogen and fuel cells, clean production processes, alternative energy sources, CO<sub>2</sub> sequestration, bio-fuels and bio-refineries, energy efficiency, information technologies for sustainable growth, clean and efficient transport, water technologies, soil and waste management and environmentally friendly materials.

The recently adopted Strategic Energy Technology Plan aims to lower the cost of clean energy and put EU industry at the forefront of the rapidly growing low carbon sector. The plan identifies those technologies for which the EU has to mobilise resources and accelerate development and deployment. Financial Instruments have also been mobilised. They include: the Competitiveness and Innovation Programme (CIP) of which EUR 433 million has been allocated to the promotion of eco-innovation; the European Investment Bank (EIB) which together with the Commission is developing a joint Risk Sharing Finance Facility; the Cohesion policy – around 21 % of the structural funds have been allocated to innovation; and LIFE, which has co-financed some 2 750 innovative pilot demonstrations projects since 1992 with a total investment of over EUR 2.6 billion. In addition to the Financial Instruments, the Commission has recently adopted a Green paper on market-based instruments in which issues such as taxes on energy, transport and other pollutant sources are discussed.

**Issues and priorities for the future:** Whilst a lot has already been achieved, the Commission report acknowledges that more remains to be done. It warns that all activities have to be stepped up and carried

out on a new scale – with much more emphasis on demand. The focus in the coming years, therefore, will be on five actions that increase demand and three support measures. They are as follows:

**Increase demand:**

- Promote Green procurement;
- Mobilise greater financial investments;
- Establish Technology Verification and Performance Target systems;
- Build on Promising Practice of Member States;
- Focus on sectors with high gains.

**Support measures:**

- Ensure a strategic knowledge resource on eco-innovation;
- Promote awareness and active participation;
- Harness research.